

**PART 966—RULES OF PRACTICE IN PROCEEDINGS RELATIVE TO ADMINISTRATIVE OFFSETS INITIATED AGAINST FORMER EMPLOYEES OF THE POSTAL SERVICE**

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AUTHORITY: 31 U.S.C. 3716; 39 U.S.C. 204, 401, 2601.

SOURCE: 62 FR 63279, Nov. 28, 1997, unless otherwise noted.

**§ 966.1 Authority for rules.**

These rules of practice are issued by the Judicial Officer pursuant to authority delegated by the Postmaster General.

**§ 966.2 Scope of rules.**

(a) The rules in this part apply to any petition filed by a former postal employee:

(1) To challenge the Postal Service's determination that he or she is liable to the Postal Service for a debt incurred in connection with his or her Postal Service employment, that the Postal Service intends to collect by administrative offset pursuant to the authority of 31 U.S.C. 3716 and in accordance with the regulations contained in the Employee and Labor Relations Manual, sections 470 and 480; and/or

(2) To challenge the administrative offset schedule proposed by the Postal Service for collecting any such debt.

(b) The regulations in this part are consistent with the provisions of the Federal Claims Collection Standards pertaining to administrative offset.

[77 FR 65104, Oct. 25, 2012]

**§ 966.3 Definitions.**

(a) *Accounting Service Center* refers to the United States Postal Service Eagan Accounting Service Center or its successor installation.

(b) *Administrative offset* refers to the withholding of money payable by the Postal Service or the United States to, or held by the Postal Service or the United States for, a former employee in order to satisfy a debt determined to be owed by the former employee to the Postal Service.

(c) *Debt* refers to any amount determined by the Postal Service to be owed to the Postal Service by a former employee.

(d) *Federal Claims Collection Standards or FCCS* refers to regulations promulgated by the Department of Justice and the Department of the Treasury and codified at 31 CFR parts 900 through 904.

(e) *Former employee* refers to an individual whose employment with the Postal Service has ceased. An employee is considered formally separated from the Postal Service rolls as of close of business on the effective date of his or her separation.

(f) *General Counsel* refers to the General Counsel of the Postal Service, and includes a designated representative.

(g) *Hearing Official* refers to an Administrative Law Judge qualified to hear cases under the Administrative Procedure Act, an Administrative Judge appointed under the Contract Disputes Act of 1978, or any other qualified person licensed to practice law designated by the Judicial Officer to preside over a hearing conducted pursuant to this part.

(h) *Judicial Officer* refers to the Judicial Officer, Associate Judicial Officer, or Acting Judicial Officer of the Postal Service.

(i) *Reconsideration* refers to the review of an alleged debt and/or the proposed offset schedule conducted by the Accounting Service Center at the request of a former employee alleged to be indebted to the Postal Service.

(j) *Recorder* refers to the Recorder, Judicial Officer Department, United States Postal Service, 2101 Wilson Boulevard, Suite 600, Arlington, VA 22201-3078. The recorder's telephone number

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is (703) 812-1900, and the Judicial Officer's Web site is <http://about.usps.com/who-we-are/judicial/welcome.htm>. The fax number is (703) 812-1901.

[77 FR 65104, Oct. 25, 2012]

### § 966.4 Petition for a hearing and supplement to petition.

(a) A former employee who is alleged to be responsible for a debt to the Postal Service may petition for a hearing under this part, provided:

(1) Liability for the debt and/or the proposed offset schedule has not been established under part 452.3 or part 462.3 of the Employee & Labor Relations Manual (ELM);

(2) The former employee has received a Notice from the Accounting Service Center in compliance with section 472.1 of the ELM and the administrative offset provisions of the FCCS, informing the former employee of the debt and an offset schedule to satisfy the debt, the former employee's rights under 31 U.S.C. 3716(a), the right to request reconsideration of the debt and/or offset schedule from the Accounting Service Center, and the right to request review under this part; and

(3) The former employee has requested reconsideration of the Postal Service's determination of the existence or amount of the alleged debt and/or the offset schedule proposed by the Postal Service within thirty (30) calendar days of receiving the notice referenced in paragraph (a)(2), and either has received a reconsideration determination, or within sixty (60) calendar days from the reconsideration request has not received a reconsideration determination.

(b) Notwithstanding the provisions of this part, the Postal Service may omit the procedures for notice and reconsideration in this part under certain circumstances as set forth below:

(1) If the Postal Service first learns of the existence of the amount owed by the former employee when there is insufficient time before payment would be made to the former employee to allow for prior notice and an opportunity for review under this part. When prior notice and an opportunity for review are omitted, the Postal Service will give the former employee notice and an opportunity for review as soon

as practicable and will promptly refund any money ultimately found not to have been owed. In such circumstances whereby prior notice and an opportunity for pre-deprivation review are omitted, the former employee may submit a petition for review under this part.

(2) If an agency (including the Postal Service) has already given the former employee any of the required notice and review opportunities set forth in the FCCS with respect to a particular debt. In such a situation, the Postal Service need not duplicate such notice and review opportunities before taking an administrative offset.

(3) If a former bargaining unit employee of the Postal Service pursues, in accordance with the applicable provisions of his or her CBA, a grievance concerning the Postal Service's claim, including, but not limited to, the existence of a debt owed to the Postal Service, the amount of such debt, and/or the proposed repayment schedule, and none of the circumstances set forth in ELM section 483.1 apply;

(4) If otherwise allowed by law, including, but not limited to, the administrative offset provisions of the FCCS.

(c) Within thirty (30) calendar days after the date of receipt of the Accounting Service Center's decision upon reconsideration, after the expiration of sixty (60) calendar days after a request for reconsideration where a reconsideration determination is not made, or following an administrative offset taken without prior notice and opportunity for reconsideration pursuant to paragraph (b)(1) of this section, the former employee must file a written, signed petition, requesting a written or oral hearing, with the Recorder, Judicial Officer Department, United States Postal Service, 2101 Wilson Boulevard, Suite 600, Arlington, VA 22201-3078.

(d) The petition must include the following:

(1) The words, "Petition for Review Under 39 CFR Part 966";

(2) The former employee's name;

(3) The former employee's home address, email address (if available), and telephone number, and any other address and telephone number at which